

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2807 - SB 2712

February 13, 2020

SUMMARY OF BILL: Requires certain landlords to provide security deposit alternatives.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed language is applicable only to landlords who own 25 or more rental units, require a security deposit, and whose properties are located in a county with a population greater than 75,000.
- Applicable landlords will be required to provide written notice to tenants about security deposit alternatives and allow such alternatives at the tenant's request.
- The proposed language concerns transactions between private parties. Any fiscal impact to state or local government is considered not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 66-28-301, landlords are required to hold security deposits in an account used only for security deposit purposes. Such deposits are returned to the tenant upon vacancy of the property, minus any costs associated with damages to the rental property on behalf of the tenant.
- Security deposit alternatives include the tenant obtaining rental security insurance, payment of the security deposit in installments, or a decreased security deposit. Such prescribed alternatives are not estimated to result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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